

Letter to the Editor:

The following was written by an AARP volunteer to the Roanoke Times:

Tell lawmakers to cap payday loan rates

When the General Assembly convenes in January, a bill will be introduced to again try to end the predatory nature of payday lending in Virginia.

Each year, more than 430,000 Virginians are paying millions of dollars in fees to get high-interest, short-term loans. The average borrower takes out eight payday loans a year, so it is easy to see why the lenders fight so hard to keep things the way they are. Payday lenders are exploiting Virginians by charging an exorbitant annual percentage rate that traps borrowers in a cycle of debt that lasts well beyond the two weeks they advertise.

The reforms written by the payday lending industry are not real reform. The only real reform is a simple 36 percent cap. Thirty-six local governments in Virginia have passed resolutions asking the General Assembly to cap the interest rate at 36 percent APR.

Payday lenders have launched a PR campaign to stop the 36 percent cap. You have a chance to counter this. Call your General Assembly members at 1-800-211-0914. Tell them you want payday loans capped at 36 percent. It is the right thing to do. Virginia can do better.

LORRAINE BRATTON